

Arasto Farsad, Esq. (SBN #273118)
Nancy Weng, Esq. (SBN #251215)
FARSAD LAW OFFICE, P.C.
1625 The Alameda, suite 525
San Jose, CA 95126
Tel: (408) 641-9966
Fax: (408) 866-7334
Email addresses: farsadlaw1@gmail.com;
nancy@farsadlaw.com

Attorneys for Debtor / debtor-in-possession

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

In re:) Case No. 23-51382 SLJ
) Chapter 11
)
XIAOYONG LAI,) STATUS CONFERENCE STATEMENT;
) CERTIFICATE OF SERVICE
)
Debtor / debtor-in-possession.) Date: January 11, 2024
) Time: 11:00 am
) Place: Place: **Hearing to be conducted by
) Tele / Video Conference**
)
) Chief Judge: Honorable Stephen L. Johnson
)

TO THE HONORABLE CHIEF JUDGE STEPHEN L. JOHNSON, THE UNITED STATES TRUSTEE'S OFFICE FOR THE NORTHERN DISTRICT OF CALIFORNIA, ALL PARTIES IN INTEREST, AND THEIR RESPECTIVE COUNSEL(S):

Now comes the Debtor / debtor-in-possession, XIAOYONG LAI, by and through his counsel of record, Farsad Law Office, P.C., and hereby submits the instant Status Conference Statement for the Status Conference set for January 11, 2024, at 11:00 am in this Court.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

On November 29, 2023, the Debtor filed the instant case after being hit with a large attorney fee award for approximately \$173,903.12 originating from a fee dispute with a former client. The Debtor needs a Chapter 11 Plan of reorganization to deal not only with this claim, but also an SBA loan (~\$250,000.00) and other debt in a timely and organized manner. The Debtor is a local attorney, and unfortunately, needed to file for said relief as he cannot focus on work with the financial issues looming.

As stated above, the Debtor is a local attorney and makes a decent living from his law practice and he also has family support if needed from his parents.

The Debtor and his counsel are already working on a proposed combined disclosure statement and chapter 11 plan and will set the disclosure statement for adequacy of disclosure review fairly soon.

The Debtor was going to wait until the general claims bar date runs on April 1, 2024, but a draft disclosure statement is already 80% complete. In a worst case scenario, Debtor amend as needed if claims come in that were not anticipated.

The instant case was filed on November 29, 2023 and the first monthly operating was filed on December 20, 2023 at docket # 34.

The Debtor's properties are insured and evidence of insurance has been provided to the United States Trustee's Office. They are also on the Debtor's policies as "notice recipients" and proof has been provided to the US Trustee's Office.

1 **STATUS OF REQUIRED POST-PETITION PAYMENTS TO TAXING AUTHORITIES**

2 All federal and state tax returns are current.

3
4 **WHETHER THE DEBTOR HAS MET THE REQUIREMENTS FOR RETAINING
PROFESSIONALS IN THE CASE**

5 An Ex-Parte Application to Employ the FARSAD LAW OFFICE, P.C. (attorneys Arasto
6 Farsad and Nancy Weng) was filed on December 1, 2023 (Dkt. 10) and an order employing the
7 instant counsel was entered by this Court on July 25, 2019. (Dkt. 38.)

8
9 **ANTICIPATED PROFESSIONAL FEES**

10 The Debtor paid the instant counsel \$20,000.00 plus the Court filing fee of \$1,738.00
11 before the case was filed. Counsel will seek to have this money paid to them via a formal
12 application for fees. The total anticipated fees in this case are around \$25,000.00. (And it may
13 possibly be done with the \$20,000.00 already paid.) The Debtor will not be seeking to hire any
14 other professionals at this time.

15
16 **WHETHER THE DEBTOR HAS MET THE REQUIREMENTS FOR USING CASH
COLLATERAL AND OBTAINING CREDIT**

17 N/A. The Debtor is not renting his home / sole piece of real property.

18
19 **ADEQUATE PROTECTION**

20 N/A.

21
22 **ARE THERE ANY ORDERS IN THE CASE THAT HAVE GRANTED RELIEF FROM
23 THE AUTOMATIC STAY, THAT HAVE EXTENDED OR REFUSED TO EXTEND
24 THE AUTOMATIC STAY, OR THAT HAVE DETERMINED THAT THERE IS NO
AUTOMATIC STAY IN EFFECT AS TO ANY OR ALL CREDITORS**

25 The judgment creditor (Mr. Frank Moore) did file a Motion for Relief from Stay and set
26 it for hearing on January 9, 2024, at 10:00 a.m. The Debtor filed an opposition to said Motion at
27 docket # 35.

1 **WHETHER ANY MOTIONS TO ASSUME OR REJECT EXECUTORY CONTRACTS**
2 **OR UNEXPIRED LEASES HAVE BEEN FILED OR ARE EXPECTED TO BE FILED**

3 None / not applicable.
4

5 **ATTENDANCE AT THE SECTION 341 MEETING PURSUANT TO 11 U.S.C. 341(a)**

6 The initial Meeting of Creditors pursuant to Section 341 was held on January 2, 2024 at
7 1:00 pm and continued by the U.S. Trustee's Office to January 26, 2024 for some follow up
8 items.
9

10 **COMPLIANCE WITH UNITED STATES TRUSTEE REQUESTS**

11 The Debtor is working on some items needed post the initial 341 and will have those over
12 prior to the continued Section 341 meeting.
13

14 **CRAMDOW**

15 Debtor does not anticipate filing any motions to cramdown at this time.
16

17 **VALUATION OF ASSETS**

18 The Debtor does not anticipate filing any motions to value assets at this time.
19

20 **POST-CONFIRMATION SALE OF ASSETS**

21 The Debtor does not currently anticipate the post-confirmation sale of any assets that will
22 require the Court's involvement.
23

24 **OBJECTION TO CLAIMS**

25 The Debtor does not expect or anticipate objecting to any claims at this time.
26
27
28

1 **STATUS OF ANY PENDING LITIGATION IN OR OUTSIDE OF THIS COURT**

2 The judgment for attorney's fees was entered (post filing of this case). The Debtor is not
3 disputing the fee amount / judgment amount. The Debtor is seeking to reorganize it per a
4 standard liquidation analysis in lieu of continuing to spend time and money disputing it. Debtor's
5 counsel has already reached out to judgment creditor (who is also counsel for himself, Mr. Frank
6 Moore) to discuss the overall plan in this case and hopes to work out a stipulation for Chapter 11
7 Plan treatment that is in the best interests of all parties involved.

8
9 **ENVIRONMENTAL ISSUES**

10 The Debtor does not believe that any of the estate property has any environmental issues
11 that would give rise to any litigation based on either state or federal environmental laws.

12
13 RESPECTFULLY SUBMITTED,

14 Dated: January 5, 2024

15 FARSAD LAW OFFICE, PC.

16
17 By: /s/ Arasto Farsad
18 ARASTO FARSAD, ESQ.

19 AND

20 By: /s/ Nancy Weng
21 NANCY WENG, ESQ.

CERTIFICATE OF SERVICE

All CM/ECF registrants including the U.S. Trustee's Office